

Know Your Benefits

Department of Transportation
Human Resources
benefits.dot.gov

Did you know . . .

If you are turning age 50 or older in 2004, you can contribute an extra \$3,000 to your TSP account?

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## TSP Catch-up Contributions for 2004

### What are catch-up contributions?

Catch-up contributions are supplemental tax-deferred employee contributions to the Thrift Savings Plan (TSP). These supplemental contributions can be made by participants age 50 or older who would like to make contributions above the maximum amount they could otherwise make to the TSP.

### Who is eligible to make catch-up contributions?

To be eligible to make catch-up contributions, a participant must be:

- Age 50 or older during the calendar year in which the catch-up contributions are made (even if the participant becomes age 50 on December 31 of that year),
- Currently employed and in pay status,
- Contributing either the maximum TSP contribution percentage allowed by his or her retirement coverage or contributing an amount that will cause employees to reach the Internal Revenue Service (IRS) elective deferral limit by the end of that year. A participant who is in a 6-month suspension period after making a financial hardship withdrawal is **not** eligible to make catch-up contributions during that time.

### How much can I contribute?

The IRS sets the annual contribution limits as show below:

| Year                                                                        | FERS<br>TSP Limit | CSRS<br>TSP Limit | IRS<br>Limit | Catch-up | Total Year<br>Contributions |
|-----------------------------------------------------------------------------|-------------------|-------------------|--------------|----------|-----------------------------|
| 2004                                                                        | 14%               | 9%                | \$13,000     | \$3,000  | \$16,000                    |
| 2005                                                                        | 15%               | 10%               | \$14,000     | \$4,000  | \$18,000                    |
| 2006                                                                        | \$15,000          | \$15,000          | \$15,000     | \$5,000* | \$20,000                    |
| *After 2006, this amount will be subject to increases to reflect inflation. |                   |                   |              |          |                             |

Catch-up contributions are applied to the year of the pay date for which they are made. For example, a catch-up contribution made during the pay period ending December 27, 2003 will apply to the 2004 limit since it is paid on January 6, 2004.

### **How do I make catch-up contributions?**

Since catch-up contributions are tax-deferred they can be made only through payroll deductions. Elections can be made through Employee Express at any time during the year. There is no open season.

Contributions are not automatically carried over from one year to the next. The final contribution for the 2003 tax year will be made from your pay check received on December 23, 2003. The earliest a new 2004 election can be effective using Employee Express is December 14, 2003 and the first contribution will be paid on January 6, 2004. Employees who will turn age 50 in 2004 can enter a TSP catch-up election in Employee Express beginning January 1, 2004. All elections are effective the following pay period.

You may access Employee Express by touchtone telephone or the internet. To access by touchtone telephone, dial 1-800-827-6289. Hearing impaired employees can call (TDD) at 1-888-880-0412. Employee Express is available 24 hours a day, 7 days a week at [www.employeeexpress.gov](http://www.employeeexpress.gov). If you have lost your PIN, you may go to the Employee Express web site to request a replacement online. The new PIN will be sent to your government e-mail address by the next business day. You also have the option to request that a new PIN be mailed to your address of record currently on file in the payroll office. When changing your address, please allow two pay periods for your record to update in the payroll system.

### **Will I receive any matching contributions?**

There are no agency matching contributions on catch-up contributions.

### **Can I stop my catch-up contributions at any time?**

Yes. To stop making catch-up contributions, just go to Employee Express and enter stop contributions. You can restart your contributions at any time. Unlike regular TSP contributions, there is no waiting period for restarting catch-up contributions. Once you stop catch-up contributions, they will not resume automatically. You will have to complete another election to start these contributions again.

Additional program details are available at the TSP website at [www.tsp.gov](http://www.tsp.gov) or contact your Human Resources Office.